Irregularities in State Bank of Indore

1100. SHRI DIGVIJAY SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether any complaints have been received by the Regional Office of State Bank of Indore, New Delhi regarding serious irregularities/lapses in the writing of Day Book and posting of General ledger; and

(b) if so, the out-come of the inquiry and the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) State Bank of Indore has reported that its New Delhi Regional Office had received a complaint against Janakpuri Branch of the Bank about alleged lapses committed by an employee of the branch about writing of day-book/general ledger. On investigation of the complaint by the Regional Office it was found that the concerned employee had committed procedural lapses in the writing of day book/general ledger of the branch. The Branch Manager has been instructed by the bank to ensure that the bank's systems and procedures are followed meticulously.

Rehabilitation plan for sick units by BIFR

1101. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Board for Industrial and Financial Reconstruction (BIFR) is evolving new working style for the rehabilitation of sick companies:

(b) if so, its broad features and how far will it go to check the growing sickness in the industry:

(c) whether the BIFR has blamed promoters and entrepreneurs being partly responsible for delays in the rehabilitation of sick units for their failure to bring in promoters contribution on time and according to the prescribed percentage; and

(d) if so, what steps Government propose to take to ensure the implementation of the rehabilitation plans quickly and see that the fake 'sick' companies are not being referred to the Board with many companies opting for BIFR coverage in order to get financial concessions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Does not arise.

(c) The Board for Industrial and Financial Reconstruction (BIFR) has reported that one of the main difficulties in implementation of rehabilitation schemes sanctioned by it is the half-hearted approach to revival of the sick companies on the part of some promoters.

(d) BIFR has reported that rehabilitation scheme sanctioned by it incorporate an implementation schedule, the adherence to which is reviewed within 2-3 months of sanctioning the scheme so as to ensure that the required preliminary action is set in motion and the implementation takes off. Companies implementing revival schemes are required to send periodical progress reports to the BIFR and these reports are scrutinised closely and action initiated wherever necessary. In cases where the progress is unsatisfactory, the BIFR may declare the scheme 'failed', after giving an opportunity of being heard to all concerned.

References received by BIFR are scrutinised closely by its Registrar before registration and a company is declared sick by BIFR only after giving a personal hearing to all concerned